place according to the contract and in the face of the jurisdiction clause the choice before the court was a simple one. The jurisdiction clause must be given effect to and this court should in its discretion refuse to exercise jurisdiction having regard to the express terms of the contract between the parties. These proceedings should therefore be set aside.

The submission of counsel for the plaintiffs was as follows. *Prima facie,* where there was a jurisdiction clause in a contract, like the one in the present case, the defendant was entitled to ask proceedings to be stayed. But in the present case the bills of lading were in English. The ship travelled only in the Far East and not in Norway. It visited the port of Singapore regularly. The consignee of the goods was in Singapore. The lightermen who unloaded the goods and all other witnesses were in Singapore. The only person who was not here was the shipowner. Singapore was not only the most convenient place to have the dispute decided but the proper place, having regard to all the circumstances of the dispute.

A number of authorities were cited by both sides. I consider it unnecessary to deal with all of them because in the words of Willmer J. in *The "Fehmarn"*,[1] "it is well established that, where there is a provision in a contract providing that disputes are to be referred to a foreign tribunal, then, *prima facie,* this court will stay proceedings instituted in this country in breach of such agreement, and will only allow them to proceed when satisfied that it is just and proper to do so". Willmer J. in that case went on to say:

> "Where there is an express agreement to submit to a foreign tribunal, clearly it requires a strong case to satisfy the court that that agreement should be overridden and that proceedings in this country should be allowed to continue. But, in the end, it is, and must necessarily be, a matter for the discretion of the court, having regard to all the circumstances of the particular case...."

These observations of Willmer J. were considered with approval by the Court of Appeal in *The "Fehmarn"*[1] which held, that the approach of the learned trial judge in that case to the question which was being debated before him, that is, whether the judge in his discretion ought, or ought not, to stay the proceedings was quite correct.

To my mind, it is clear therefore that the question of jurisdiction in a dispute of this nature is a matter which is entirely in the discretion of the court which is called upon to decide the dispute. That discretion, has, of course, to be exercised judicially. Each case must be decided on its own merits and the discretion of the court may be exercised one way or other having regard to the circumstances of the particular case.

In this case the defendants were asking the court to set aside the writ and not merely to stay the proceedings. The defendants relied on the following passage appearing on page 18 of Vol. I of *British Shipping Laws*:

> "The situation may be different in cases where the parties have agreed by the contract of carriage to submit all disputes to the courts of a country other than England. In such circumstances the court has power to set aside the writ and with it the arrest. The court may decide to do so unless it can be shown that only by allowing the action to continue can the plaintiff be given the relief to which he is entitled, as where the claim has already become barred in the country agreed".

This statement of the law was not challenged by the plaintiffs.

In the present case I found that the plaintiffs had commenced two actions in respect of the same claim. The proceedings in Norway were in accordance with the jurisdiction clause of the contract on which the claim was based. The proceedings in this court were in breach of the said clause. The plaintiffs were not only willing and able to sue in Norway but had in fact already done so by commencing proceedings there to enforce their claim. Under the particular circumstances of this case I felt that I should exercise my discretion in favour of the defendants. The vessel was Norwegian-owned and flew the Norwegian flag. The bills of lading although in the English language were to be governed by Norwegian law. The dispute was to be decided by a Norwegian court in accordance with Norwegian law. And what is more, the dispute was already before a Norwegian court. There was no question of the plaintiffs' claim having become barred in the country agreed. Having regard to all the circumstances I came to the conclusion that I should in my discretion give effect to the jurisdiction clause of the contract, and that these proceedings should not be allowed to continue. It was for these reasons that I made an order setting aside the writ and all subsequent proceedings in this case.

Application granted.

Solicitors: *Rodyk & Davidson; Donaldson & Burkinshaw.*

LEE LIAN CHOON v. LEE KAR CHOO

[F.C. (Thomson L.P., Barakbah C.J. (Malaya) and Tan Ah Tah F.J.) December 15, 1964]

[Ipoh — Federal Court Civil Appeal No. 7 of 1964]

Trade mark — Passing off — Test to be applied.

The respondent brought an action alleging infringement of his trade mark and passing off of the appellant's goods as those of the respondent's. The trial judge found that there had been no such infringement by the appellant

and that the get-up of the appellant's goods would not lead to confusion with those of the respondent. However he granted an injunction restraining the appellant from using the labels complained of, as the appellant had used his trade mark in a manner which enabled retailers to practice a deceit on the public. On appeal,

Held: (1) on the facts there was no reason to dissent from the trial judge's finding that the get-up of the appellant's goods would not lead to confusion with those of the respondent;

(2) the trial judge having found that there was no infringement of the respondent's trade mark, that the get-up of the appellant's goods would not lead to confusion with those of the respondent and that there was nothing in the appellant's conduct in the nature of fraudulent intent or deliberate intent to deceive should have found that there was no passing off and should accordingly have dismissed the action.

Cases referred to:—

(1) *Schweppes Ltd.* v. *Gibbons* (1905) 22 R.P.C. 113, 601.

(2) *M. I. & M. Corporation and another* v. *A. Mohamed Ibrahim & Anor.* [1964] M.L.J. 392.

(3) *Sandow Ltd.'s Application* (1914) 31 R.P.C. 196, 205.

(4) *Payton & Co. Ltd.* v. *Snelling, Lampard & Co. Ltd.* [1901] A.C. 308, 311.

FEDERAL COURT.

L. A. J. Smith for the appellant.

Dato S. M. Yong for the respondent.

Cur. Adv. Vult.

Thomson L.P.: The parties to this appeal are wholesale dealers in tea dust carrying on business in Ipoh. The plaintiff in the original proceedings (now the respondent) is the owner of a registered trade mark in respect of tea dust which was first registered on 14th March, 1952, and the registration of which was renewed for 14 years from 23rd March, 1959. The defendant (now the appellant) is the registered owner of a different trade mark in respect of tea dust which was registered on 22nd June, 1960.

On 20th June, 1961, the plaintiff commenced proceedings against the defendant (Ipoh Civil Suit No: 136 of 1961) in which he alleged infringement of his trade mark and passing off of goods and asked for appropriate remedies. This case was never tried out. When it came on for trial the judge suggested that the proceedings should be settled and in the event an order was made by consent embodying an undertaking by the defendant not to infringe the plaintiff's trade mark and not to pass off his goods as those of the plaintiff. As no question of *res judicata* has been raised in the present proceedings it is not necessary to consider the terms of that order.

In spite of some no doubt well-meant exhortations by the trial judge to come to some agreement as to the modification of their respective trade marks that might avoid misunderstanding in the future the parties would appear to have remained at arm's length and, although the defendant altered the "get-up" of his packets of tea, the present proceedings were commenced by the plaintiff on 29th December, 1961.

These were based on the defendant's use of his new "get-up" which was said to be an infringement of the plaintiff's trade mark and the use of which was said to have made out the passing off of the defendant's goods as those of the plaintiff. An injunction, an account and damages and other remedies were asked for.

In the event the trial judge (who was the same judge as had suggested the settlement of the earlier action) found that there had been no infringement of the plaintiff's trade mark by the defendant and that "the get-up of the defendant's goods would not lead to confusion" with those of the plaintiff. He concluded, however,:—

> "that the defendant has used his trade mark in a manner which has enabled retailers to practise a deceit on the public obviously asking for the plaintiff's brand as opposed to the defendant's brand and although I am not prepared to make a finding of anything in the nature of fraudulent intent or deliberate intent to deceive, I feel bound on the authorities to which I have referred to make an order restraining the defendant from using the labels complained of."

He did not consider it a case for damages but he granted an injunction as prayed and made orders for the destruction of labels and blocks and so forth.

Against that decision the defendant has now appealed and although there is no cross-appeal the plaintiff, the respondent, has urged upon us very vigorously that the judge was wrong in finding that the get-up of the defendant's goods would not lead to confusion between the goods of the two parties.

The principal ground of appeal, indeed it is the only ground, is that the trial judge having found that there was no infringement of the respondent's trade mark, that the get-up of the appellant's goods would not lead to confusion with those of the respondent and that there was nothing in the appellant's conduct in the nature of fraudulent intent or "deliberate intent" to deceive should have found not only as he did find that there was no infringement but also that there was no passing off and should accordingly have dismissed the action.

To that argument as thus stated the respondent has no convincing answer, and indeed there is none.

Authority for that observation is to be found in the case of *Schweppes Ltd.* v. *Gibbons.*[1]

The facts of that case were very similar to those of the present one and the trial judge (Warrington J.) had dismissed the plaintiffs' claim on the ground that the defendant's labels

were not calculated to deceive. "In my view", he said (at p. 118), "the defendant's label is not as it stands, if fairly used, calculated to enable a barman to deceive the customer". In the Court of Appeal Romer L.J. discussed the evidence and said that on it the court should not assume a fraudulent intent. He continued (at p. 120):—

"But even if I could assume as against the defendant in this case a fraudulent intent in the design which she may have put on her label, that would not carry me the full length. In order to make the defendant liable I should be obliged to come to the conclusion, as a matter of fact, that the label she has designed is calculated to mislead."

That, however, is not the end of the matter for the respondent says that the appellant's argument should not be accepted at its face value and that although as a matter of law and logic the result of the judge's reasoning may be inescapable yet the premises on which it is based are wrong.

The technical question of infringement of the respondent's trade mark by that of the appellant has not been very strenously argued, and indeed could not be taken very far in view of the fact that the appellant's mark was registered before the commencement of litigation. It was, however, urged with considerable force that the judge's findings that the get-up of the appellant's goods would not lead to confusion with those of the respondent and that there was nothing in the nature of fraudulent intent or "deliberate intent" to deceive were against the weight of the evidence.

That argument calls for careful consideration, particularly as it is difficult to resist the impression that the judge may have prepared his judgment in some haste and may not have expressed very happily just what he had in mind.

What particularly is important here is not so much the general get-up of the packages in which the parties sold their tea but the labels used on these packages. The packages themselves are in both cases the hexahedral tinfoil packets of various sizes which are commonly used in the retail sale of tea.

In each case, however, the packages are encircled by coloured labels embodying four panels. The basic colours of these labels are, in each case, red and yellow but nothing turns on this for it is in evidence, that it is a general practice in the tea trade to use red and yellow labels.

On the respondent's labels the two larger panels are identical. In the centre of each is a single large reddish-yellow fish with protuberant eyes submerged in water of a yellowish colour and surrounded with bunches of seaweed or coral. This is the distinctive part of the respondent's registered trade mark, which was limited as to colour. Above the fish is printed the respondent's name "Yeen Thye Co.", below it is printed the respondent's address and the whole is surrounded by flowers of different colours which may be intended to be hibiscus and myosotis. On one of the smaller panels there is a representation of the reddish-yellow fish that occupies the centre of the larger panels and the words in English, Malay and Tamil " 'Gold Fish' best quality Ceylon tea dust". This is repeated on the other smaller panel except that the words are in Chinese.

On the appellant's labels each of the larger panels bears the appellant's registered trade mark which, as registered, was not limited as to colour. It is contained in a rectangular space with the words across the top "FISHING NETS BRAND". On this there is a reddish gold fish of different type and smaller than the respondent's fish. It is accompanied by a similar fish of similar shape and colour but smaller size and both appear, like Leviathan, to be contemplating with an air of superiority and disdain the activities of a large number of smaller black and white fish which either have been or are about to be caught in three large nets of yellow material towed by three steam trawlers. Above the trade mark is printed in Roman characters the appellant's name "Chuan Lee & Co." and below it is printed his address. On both sides the name and address are repeated at the sides in Chinese characters and there are representations in yellow of what are probably meant to be heads of rice. On the smaller panels there is a reproduction of the larger fish in the centre panels and words in English, Malay, Tamil and Chinese stating "Fishing Nets Brand — best quality Ceylon tea dust."

In the case of *M. I. & M. Corporation & anor.* v. *A. Mohamed Ibrahim & anor.*[2] this court applied to a question of this nature a test propounded by Sargant J. in the case of *Sandow Ltd.'s Application*:—[3]

"The question is not whether if a person is looking at two Trade Marks side by side there would be a possibility of confusion; the question is whether the person who sees the proposed Trade Mark in the absence of the other Trade Mark, and in view only of his general recollection of what the nature of the other Trade Mark was, would be liable to be deceived and to think that the Trade Mark before him is the same as the other, of which he has a general recollection."

The same test may suitably be applied in relation to questions of get-up. And, applying that test to what we have here, that is to say the two labels, but not overlooking that, as I said in the case of *M. I. & M. Corporation & anor.* v. *A. Mohamed Ibrahim & anor., supra,* that "test is to be applied in relation to people who are generally illiterate and who do their shopping

in small dark grocers' shops where large quantities of goods are crowded in a disorderly manner into a very small space", there is, in my view, no reason to dissent from the trial judge's finding that the get-up of the appellant's goods would not lead to confusion with those of the respondent.

Nor is there anything in the evidence which would lead me to doubt the validity of that conclusion.

The only witness who purported to say he had been misled in any way was a Malay barber from Degong He said that for four or five years he had bought from a shop in his village what he called "red fish" tea which he now knows to be the respondent's tea but that after a while the tea which he bought from the same shop seemed to be of poorer quality. He made no complaint to the shop from which he bought the tea but he did mention it to a Chinese whom he saw driving a van and selling tea who by a curious coincidence turned out to be the respondent and he showed him a packet of what he had been buying which was the appellant's tea. He admitted that he had never even glanced at the packets of tea he got from the local shop and that even if he were shown it he would be unable to identify a packet of the tea he had bought.

Then there was the evidence of the two grocers, called as witnesses by the respondent, which made a very powerful impression on the trial judge. Their evidence has to be read in the light of the fact that they both admitted that the wholesale price of the appellant's tea was cheaper than that of the respondent's tea and that therefore it was more a profitable article to sell. Neither of them was deceived in any way or was in any doubt as to which tea was which. What their evidence reduced itself to was this that when regular customers knew of the existence of several brands of tea and asked for a particular brand they gave them the brand for which they asked but if a customer who was not a regular customer only asked for "red fish tea" they gave him the appellant's tea without informing him that there was another sort of tea which could be described as red fish brand.

Now it is of course true that these wicked grocers were practising a deceit upon their more gullible or less discriminating customers. There is, however, nothing to show this was in any way facilitated by the get-up of the appellant's tea. There is no evidence that the customers upon whom the deceit was practised being given any opportunity of seeing the two brands of tea side by side or even that the shopkeepers had any other brand in stock. The evidence simply was that these unscrupulous grocers concealed the existence of tea of what they thought was better quality so that they could sell tea which might be poorer quality but which they could sell at a greater profit to themselves. It is difficult to see any distinction between them and the hypothetical wicked barmen who sought to dilute their customers' whisky with the soda water of Mrs. Gibbons rather than that of Messrs. Schweppes. Their conduct may have been reprehensible; it may have been fraudulent; but as was said by Lord Macnaghten in the case of *Payton & Co. Ltd.* v. *Snelling, Lampard & Co. Ltd.*,[4] another case where the facts were similar to those of the present case except that what was involved was tins of coffee and not packets of tea:—

"for fraud of that kind the defendants are not responsible."

I would allow the appeal and set aside the order made in the court below.

Barakbah C.J. (Malaya) and Tan Ah Tah F.J. concurred.

Appeal allowed.

Solicitors: *L. A. J. Smith; S. M. Yong & Co.*

KUAN HIP PENG v. YAP YIN & ANOR.

[F.C. (Thomson L.P., Barakbah C.J. (Malaya) and Tan Ah Tah F.J.) December 15, 1964]

[K.L. — Federal Court Civil Appeal No. 68 of 1964]

Practice and Procedure — Striking out writ — Writ issued after expiry of period of limitation — Limitation absolute and without exceptions — Whether order can be made — Civil Law Ordinance, 1956, s. 7(5) — R.S.C. 1957, O. 25 r. 4.

The plaintiff-appellant suing by his next friend claimed compensation under the Civil Law Ordinance for loss arising from the death of his father as a result of the alleged negligent driving of a motor vehicle owned by the first respondent and driven by the second respondent. The writ was issued four days after the expiry of the period of three years prescribed in section 7(5) of the Ordinance. No defence was filed but the respondents applied by summons for the writ to be struck out under O. 25 r. 4 on the ground that the claim endorsed on it was frivolous and vexatious and an abuse of the process of the court. The trial judge made an order dismissing the suit and the appellant appealed. The grounds of appeal were that the application to strike out was premature as it was made before the defence was filed and in particular that no such order should have been made on the application of a defendant who wished to take advantage of a statute of limitations.

Held: (1) there is nothing in the wording of O. 25 r. 4 to show that a defendant who wishes to proceed under it must first file his defence;

(2) the rule that where there are exceptions which would affect the operation of a statute of limitations a plaintiff need not plead them until the defence of limitation has been raised on the pleadings by the defendant does not apply where the statute is absolute and without exceptions;